

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
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DATE: November 19, 2010

PERSONNEL LETTER #10-029
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Lisa Crowe, Chief
Personnel/Payroll Services Division

RE: **NEW RETIREMENT ACCOUNT CODES FOR EXCLUDED AND EXEMPT EMPLOYEES**

The Department of Personnel Administration (DPA) announced in Personnel Management Liaison Memo 2010-028 dated October 21, 2010 that excluded and exempt employees, except excluded/exempt employees affiliated with bargaining units 5 and 8, are subject to a 3% retirement contribution increase effective the November 2010 pay period. Further, exempt and excluded employees first employed with the State (i.e., no prior State service) are subject to higher employee retirement contributions and new benefit formulas based on their highest average salary during a 36-month consecutive period. New retirement account codes will be provided for the newly hired excluded/exempt employees in a subsequent Personnel Letter. The on-line IDLS and Paycheck calculators have been updated to reflect the new retirement contribution rates.

RETIREMENT RATE CHANGES

Retirement rates for current excluded and exempt employees were changed to the new rates listed below. The retirement rate change was accomplished via an employment history (EH) mass update of 505 transactions with an effective date of November 2, 2010 or November 1, 2010 for statutory exempt employees. The chart below reflects the new account codes (if required) and new contribution rates from the employment history mass update.

Retirement Category	Old Account Code	New Account Code	New Rate	Benefit Formula	Final Compensation
Miscellaneous	40	2K	9%	2% @ 55	1 year
	42	2V	9%	2% @ 55	1 year
	45	2M	8%	2% @ 55	1 year
	4A	4A	8%	2% @ 55	1 year
	4L	2R	8%	2% @ 55	3 years
Industrial	46	9T	9%	2% @ 55	1 year
	48	9V	9%	2% @ 55	1 year
	49	9N	8%	2% @ 55	1 year
	9C	9W	8%	2% @ 55	3 years
Safety	10	1H	9%	2% @ 55	1 year
	12	1J	9%	2% @ 55	1 year
	19	1P	9%	2.5% @ 55	1 year
	30	1R	9%	2.5% @ 55	1 year
	6P	1S	9%	2.5% @ 55	3 years
	6R	1T	9%	2.5% @ 55	3 years

Retirement Category	Old Account Code	New Account Code	New Rate	Benefit Formula	Final Compensation
POFF	5C	5C	11%	3% @ 55	1 year
	5D	5D	11%	3% @ 55	1 year
	5E	5E	11%	3% @ 50	1 year
	5F	5F	11%	3% @ 50	1 year
	5J	5J	11%	3% @ 50	1 year
	5K	5K	11%	3% @ 50	1 year
ARP	TJ	AP	8%	2% @ 55	3 years
	TK	AQ	8%	2% @ 55	1 year
	TP	AR	8%	2% @ 55	1 year
	TS	AS	8%	2% @ 55	3 years

The EH automated mass update occurred on November 9, 2010 to post the 505 transactions. Turnaround PARs (TAD) were issued from the update process and released on a flow basis. Some employees were not included in the automated mass update and are being manually processed by PPSD. Employees excluded from the automated update include those with an EH record reflecting an out-of-sequence status (i.e., the effective date on the most current transaction was after 11/2/2010). TAD PARs will be issued once the EH record is updated. Records updated after the November 2010 master payroll cutoff date of November 18, 2010 will result in the establishment of retirement arrears deductions. Every effort is being made to complete the manual updates in time for the November 2010 master payrolls.

CONTACTS

For PAR documentation assistance, contact SCO's Personnel Liaison Unit at (916) 322-6500. For questions regarding CalPERS eligibility and benefits, contact CalPERS at (888) 225-7377. For retirement policy and legislation information, contact Desi Rodrigues, DPA, at (916) 324-9400.

Revisions to the Payroll Procedures Manual and Personnel Action Manual are forthcoming.

LC:PMAB:DW